



ENTERED
06/17/2010

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE

**RIGGING & WELDING SPECIALISTS,
INC.**

DEBTOR

§
§
§
§
§
§

**CASE NO. 10-34012
(Chapter 11)**

AGREED ORDER AUTHORIZING USE OF CASH COLLATERAL

Came on for consideration the Debtor's Motion for Authority to Use Cash Collateral ("Cash Collateral Motion") and the Court after hearing arguments and testimony entered an Order Authorizing Use of Cash Collateral (Doc. No. 13) to expend funds pursuant to the terms and conditions. In connection therewith, the Debtor, Wells Fargo Bank, N.A. and Financial Federal Credit Inc. submit to the Court the following stipulations in accordance with the agreement reached between the parties as to the Debtor's use of cash collateral in the ordinary course of business:

- A. Each holder of a valid and unavoidable lien on the Debtor's accounts receivables is granted a replacement lien on post-petition accounts receivable in the same priority and to the same extent as existed on the petition date. This replacement lien is to the extent of any diminishment in the value of the collateral that occurs from the use of cash collateral.
- B. Debtor will not pay any payroll or salary out of the ordinary course of business.

- C. Debtor will maintain current insurance in the amount maintained on a pre-petition basis, with the payments as reflected on Exhibit "A". This insurance coverage does not require to continue insurance coverage on equipment surrender to secured creditors.
- D. Debtor will pay only fair market rent on its Baytown facilities, which the Court recognizes that such payments are to an "insider".

It is therefore,

ORDERED, that the Debtor is hereby authorized to use cash collateral only in the ordinary course of business as set forth in the 90-day budget attached as Exhibit "A". In the event that Debtor uses cash collateral for any items that would not be considered in the ordinary course of business, Debtor must first seek written approval from Wells Fargo Bank and Financial Federal Credit Inc. It is further

ORDERED, that at least two weeks prior to the expiration of the budget period set forth on Exhibit A, and any subsequent budget period during the pendency of this case, Debtor shall provide both Wells Fargo Bank and Financial Federal Credit Inc. a comparison through Debtor's most recent month end of its actual income and expenses to the budgeted amounts, and a new budget for the next 90-day period. If either Wells Fargo Bank or Financial Federal Credit Inc. does not agree with the newly proposed budget, or believes expenditures were made by Debtor inconsistent with the approved budget, it may file a motion to prohibit Debtor's use of cash collateral, and the Court will consider said motion on shortened notice. It is further

ORDERED, that nothing contained in this Agreed Order shall be deemed a consent by

Wells Fargo Bank and Financial Federal Credit Inc. to any charge, lien, assessment or claim against the Collateral under §506 of the Bankruptcy Code or otherwise by the Chapter 11 Debtor and/or a Chapter 7 Trustee unless so ordered by this Court. It is further

ORDERED, that the provisions of this Order and any other actions taken pursuant hereto shall survive entry of any orders which may be entered converting this case from Chapter 11 to Chapter 7 of the Bankruptcy Code. It is further

ORDERED, that the Debtor shall timely pay all statutory U. S. Trustee fees.

SIGNED this 17 day of June, 2010.


UNITED STATES BANKRUPTCY JUDGE
MARVIN ISGUR

AGREED TO:

J. CRAIG COWGILL & ASSOCIATES, P.C.

By: /s/J. Craig Cowgill

J. Craig Cowgill
State Bar No. 04929000
8100 Washington, Suite 120
Houston, TX. 77007
713/956-0254 (telephone)
713/956-6284 (fax)
jccowgill@cowgillholmes.com
cmoore@cowgillholmes.com

Attorneys for the Debtor

LEYH & PAYNE LLP

By: /s/Steven A. Leyh

Steven A. Leyh

Texas Bar No. _____

1616 West Voss Road, Suite 125

Houston, Texas 77057

713-785-0881

713-784-0338-fax

info@leyh-payne.com

Attorneys for Wells Fargo Bank

FINANCIAL FEDERAL CREDIT, INC.

By: /s/Robert Grawl, Jr.

Robert Grawl, Jr.

State Bar No. 08313400

Assistant General Counsel

1300 Post Oak Blvd., Suite 1300

Houston, Texas 77056

713-439-1177

713-386-0337-fax

bgrawl@financialfederal.com\

Attorney for Financial Federal Credit Inc.

Page 12

Initial Report to US Trustee

Exhibit D
PROJECTED 90-DAY PROFIT AND LOSS STATEMENT
(ACCRUAL BASIS)

CASE NAME: RIGGING AND WELDING SPECIALISTS, INC.

CASE NUMBER: 10-34012-H1-11

	<u>May</u>	<u>May</u> <u>Actual 12-31</u>	<u>2010</u> <u>June</u>	<u>July</u>	<u>Aug</u>	<u>Cash</u> <u>Collateral</u> <u>Agreement</u>
Sales:						
Gross Sales	600,000	414,587	700,000	800,000	800,000	2,100,000
Less: Returns/discounts						
Net Sales	600,000	414,587	700,000	800,000	800,000	2,100,000
Cost of Goods Sold:						
Beginning Inventory at Cost	-	-	-	-	-	
Purchases	-	-	-	-	-	
Less: Ending Inventory at Cost	-	-	-	-	-	
Cost of Goods Sold (COGS)	-	-	-	-	-	
Gross Profit (Sales Less COGS)	600,000	414,587	700,000	800,000	800,000	2,100,000
Other Operating Income	-	-	-	-	-	
Operating Expenses:						
Officer/Mgmt Payroll (Ch/BJ)	11,508	5,754	11,508	14,385	11,508	37,401
Payroll-Other Employees	185,292	94,934	192,492	245,615	192,492	742,599
Payroll Taxes	14,175	7,331	14,726	18,790	14,726	120,000
Depreciation and Amortization	38,675	21,700	21,700	21,700	21,700	-
Rental-Real Property	8,000	-	8,000	8,000	8,000	54,000
Leases-Personal Property	66,375	58,410	82,109	82,109	82,109	199,125
Leases-Note Payable			40,674	40,674	40,674	
Repairs & Maintenance	18,000	4,101	18,000	18,000	18,000	54,000
Insurance	44,560	75,788	58,569	56,439	59,049	133,780
Telephone and Utilities	11,300	3,168	11,300	11,300	11,300	22,500
Travel & Entertainment	3,800	9	3,800	3,800	3,800	11,400
Misc. Operating Expenses	104,425	94,614	104,425	113,225	113,225	355,657
Last						
Total Operating Expenses	506,110	365,807	567,303	634,037	576,583	1,733,362
Net Gain/(Loss) from operations	93,890	48,780	132,697	165,963	223,417	366,638
Non-Operating Income:						
Interest Income	-	-	-	-	-	
Net Gain on Sale of Assets	-	-	-	-	-	
Total Non-Operating Income	-	-	-	-	-	
Non-Operating Expenses:						
Interest Expense		871	14,663	14,663	14,663	
Legal and Professional		-				
Total Non-Operating Expenses	-	871	14,663	14,663	14,663	
Net Income/(Loss)	93,890	47,909	118,034	151,300	208,754	

